

City of Northampton, MA
Economic Development Incentive Program
Local Tax Incentive Criteria
Revised August 15, 2005

The City seeks to achieve the following economic development goals with a local tax incentive program. The benefit of granting a local tax incentive will be measured by how well a project meets these goals:

1. Meaningful creation or retention of permanent full-time jobs and new job opportunities for local or regional residents. It is expected that these jobs will be secure positions with desirable wages and benefits. Jobs qualifying under this program must not be a replacement or relocation of permanent full-time employees employed by the business at any other facility in the State.
2. Promotion of manufacturing, technology, R&D, corporate office, or other industrial/commercial sector important to the City. Retail and warehouse/distribution will generally not receive a high rating under this program. However, the City acknowledges that independent retailers contribute to the vitality of the Northampton marketplace and to the destination appeal of Northampton resulting in secondary economic benefits to other business sectors in the City and to the community in general. It is further acknowledged that market pressures and escalating real estate costs in Northampton are a significant impediment to the growth of locally owned businesses. Therefore, the City will consider tax incentives for retail uses that meet the following criteria:
 - The retail establishment is locally or regionally owned (not including locally owned national franchises) or at least one third of the building square footage is reserved for locally or regionally owned businesses.
 - The project will result in an expansion of full-time equivalent jobs by at least 15 percent.
 - There must be a significant capital investment in the project resulting in new growth tax value to the City.
 - Off-site mitigation or public improvements provided by the project add significant cost to the total project investment.
3. Overall economic and/or public benefit to the City, surrounding neighborhood, or the region
4. A net increase in tax revenue to the City
5. Local investment and circulation of dollars in the local/regional economy
6. Potential catalysts for future economic development
7. Community benefits such as job training or public infrastructure improvements

8. Stability and diversity of the Northampton economic and employment base
9. The use of local contractors for construction and repair
10. Overcome impediments which make projects difficult or unfeasible to complete without public investment such as hazardous waste cleanup, infrastructure improvements, or other circumstances which contribute to project feasibility
11. Address specific needs of the project as well as the long-term trends in the industry, economy, and business
12. Support projects that have a workable plan and are likely to succeed.

Approved by the Economic Development, Housing and Land Use Committee of the City Council on August 15, 2005.